

NAVY ARO – DAU Partnership

Building a Risk Management Community & Other Topics

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DAU – NE/Capital
PML Department



OUTLINE

- The CHALLENGE
 - DoD 5000 to CJCS 3170.01 changes
 - Understanding of Risks in this business
- DAU Performance Learning Model
- DAU Courses – PMT-250, others
- DoD AT&L Knowledge Sharing System
- PM Community of Practice (PMCoP)
 - Risk Community (go through the site)
 - Transition from pilot at Navy ARO to DAU



Knowledge Management for the DOD and Industry Acq, Tech and Logistics Force

CJCSI 3170.01

**DOD 5000
SERIES**

New Acquisition Policy

From This
(April 2002)

- **DoD Directive 5000.1**
- **DoD Instruction 5000.2**
- **DoD Regulation 5000.2-R**

www.dod5000.dau.mil

To This
(30 Oct 2002)

- **Interim Guidance Documents:**
 - The Defense Acquisition System
 - Operation of the Defense Acquisition System
 - Interim Defense Acquisition Guidebook


- **DoDD 5000.1 & DoDI 5000.2 will be reissued in January 2003.**
- **DoD 5000.2-R will not be reissued.**
- **The former DoD 5000.2-R serves as the Interim Guidebook pending issuance of a streamlined guidebook. The former DoD 5000.2-R is NOT mandatory.**

DEPSECDEF Memo, Defense Acquisition, 30 Oct 2002, attachment 1, The Defense Acquisition System

- **Five major categories containing 14 definitive policy statements:**
 - Achieving Interoperability
 - Rapid & Effective Transition from S&T to Products
 - Rapid & Effective Transition from Acquisition to Production
 - Integrated & Effective Operational Support
 - Effective Management
- **8 pages and 3 enclosures**

- **Thirty short, clear and concise policy statements, with following additions:**
 - Decentralized Responsibility
 - Reduced Cycle Time
 - Collaboration
 - Information Superiority
 - Information Assurance
 - Intelligence Support
 - Knowledge-Based Acquisition
 - Systems Engineering
 - Products, Services & Technologies
 - Performance-Based Logistics
 - Program Goals
 - Legal Compliance
 - International Agreements
 - Cost Realism
 - Cost Sharing
 - Program Information

Most policy statements from DoDD 5000.1 have been summarized and included in the new interim guidance. Many policy areas were added from cancelled DoDI 5000.2 and DoD



DEPSECDEF Memo, Defense Acquisition, 30 Oct 2002, attachment 1, The Defense Acquisition System

Major Policy Statements

From DoDI 5000.2

- Cost Sharing
- Cost Realism
- Reduced Cycle Time
- Collaboration
- Legal Compliance
- International

From DoDD 5000.1

- Tailoring
- Innovation, Continuous Improvement, and Lessons Learned
- Technology Development & Transition
- Interoperability
- Research & Technology Protection
- Performance-Based Acquisition
- Competition
- Independent Operational Test

From DoD 5000.2-R

- Intelligence Support
- Systems Engineering
- Performance-Based Logistics
- Program Goals
- Program Information

From DoDI 5000.2 & DoD 5000.2-R

- Streamlined Agency
- Professional
- Information Superiority
- Information Assurance
- Products, Services & Technologies

DEPSECDEF Memo, Defense Acquisition, 30 Oct 2002, attachment 2, Operation of the Defense Acquisition System

Evolutionary Acquisition

- **Two development processes to implement Evolutionary Acquisition Strategy**
 - **Incremental Development:** End-state requirement is known, and requirement will be met over time in several increments
 - **Spiral Development:** Desired capability is identified, but end-state requirements are not known at Program Initiation. Requirements for future increments dependent upon technology maturation and user feedback from initial increments
- **Evolutionary acquisition strategies shall be preferred approach to satisfying operational needs.**
- **Spiral development shall be the preferred process.**

DEPSECDEF Memo, Defense Acquisition, 30 Oct 2002, attachment 2, Operation of the Defense Acquisition System

New Requirements Documents

- **Initial Capability Document (ICD) replaces MNS at Milestone A**

Captures capability shortfall in terms of integrated architectures; identifies critical capabilities to satisfy the requirement, and best joint solution(s).

- **Capability Development Document (CDD) replaces ORD at Milestone B**

Each CDD will have a set of validated KPPs that will apply only to that increment of the evolutionary acquisition strategy.

- **Capability Production Document (CPD) replaces ORD at Milestone C (updated CDD)**

- **Common element is CAPABILITIES that may be required to:**

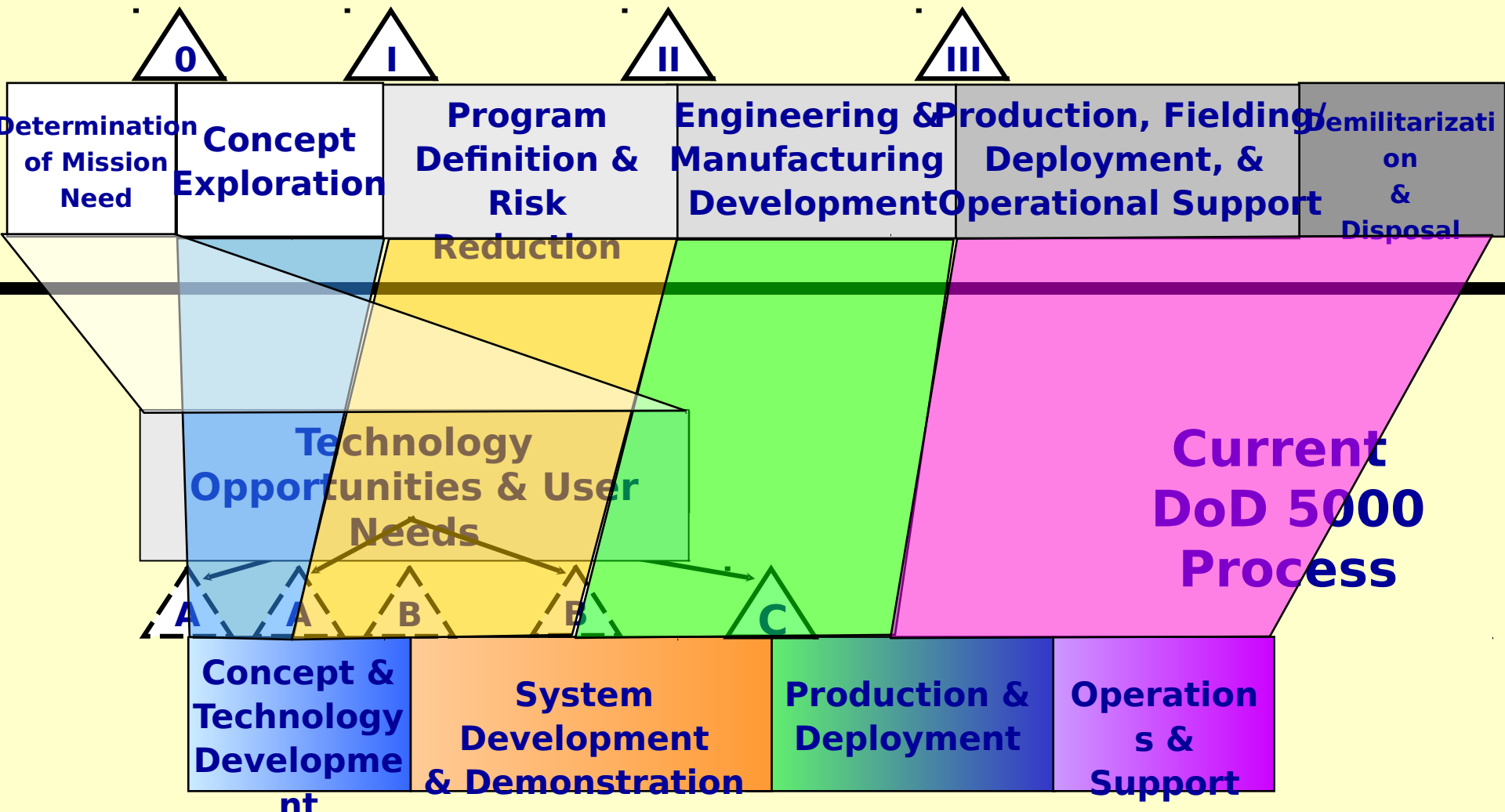
Resolve a shortfall in warfighting capability, accommodate technology breakthrough or intelligence discoveries.

Details will be implemented by revisions to CJCSI 3170.01

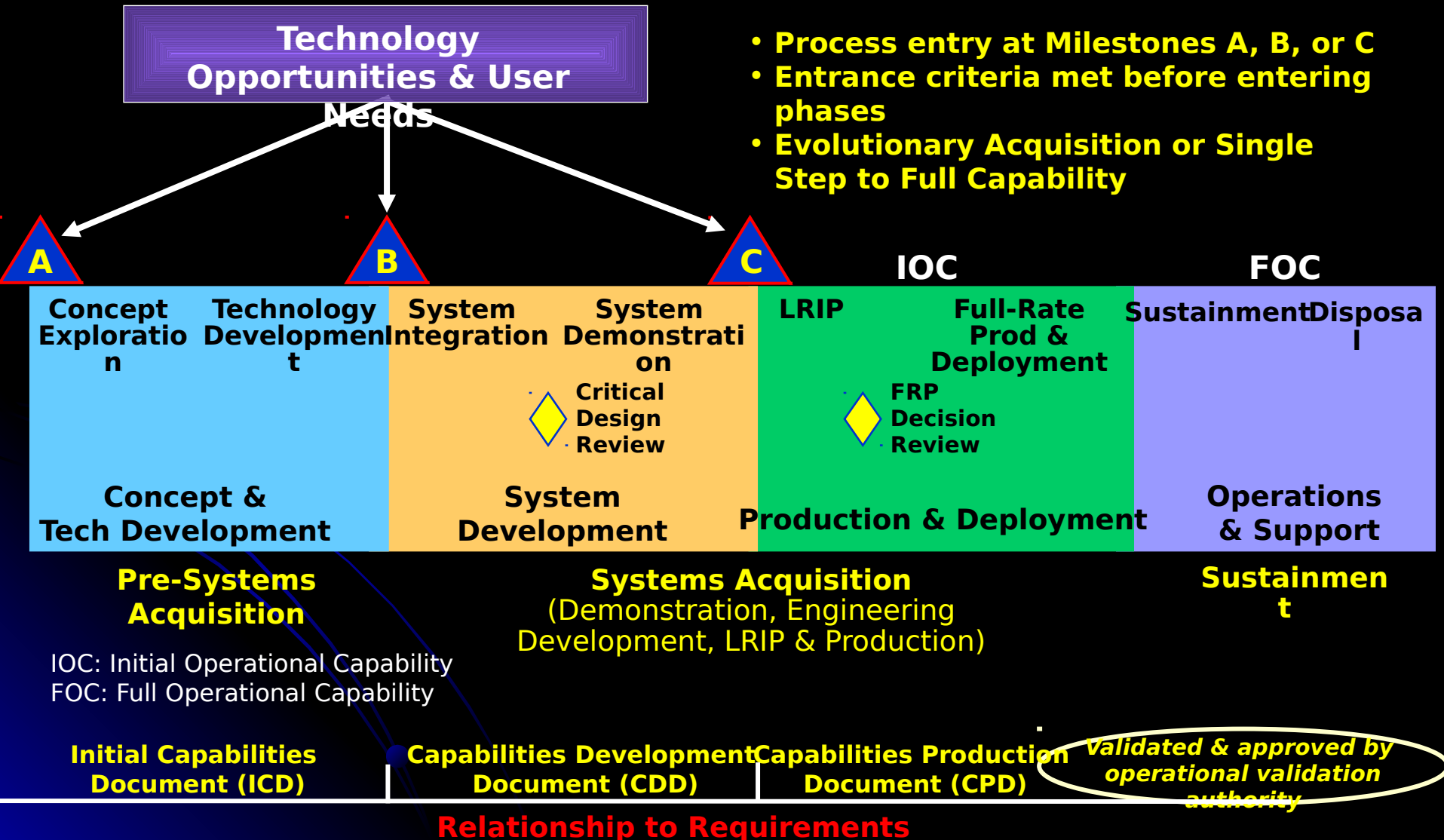
The 5000 Process

1996 DoD 5000.2-R Process

old and new

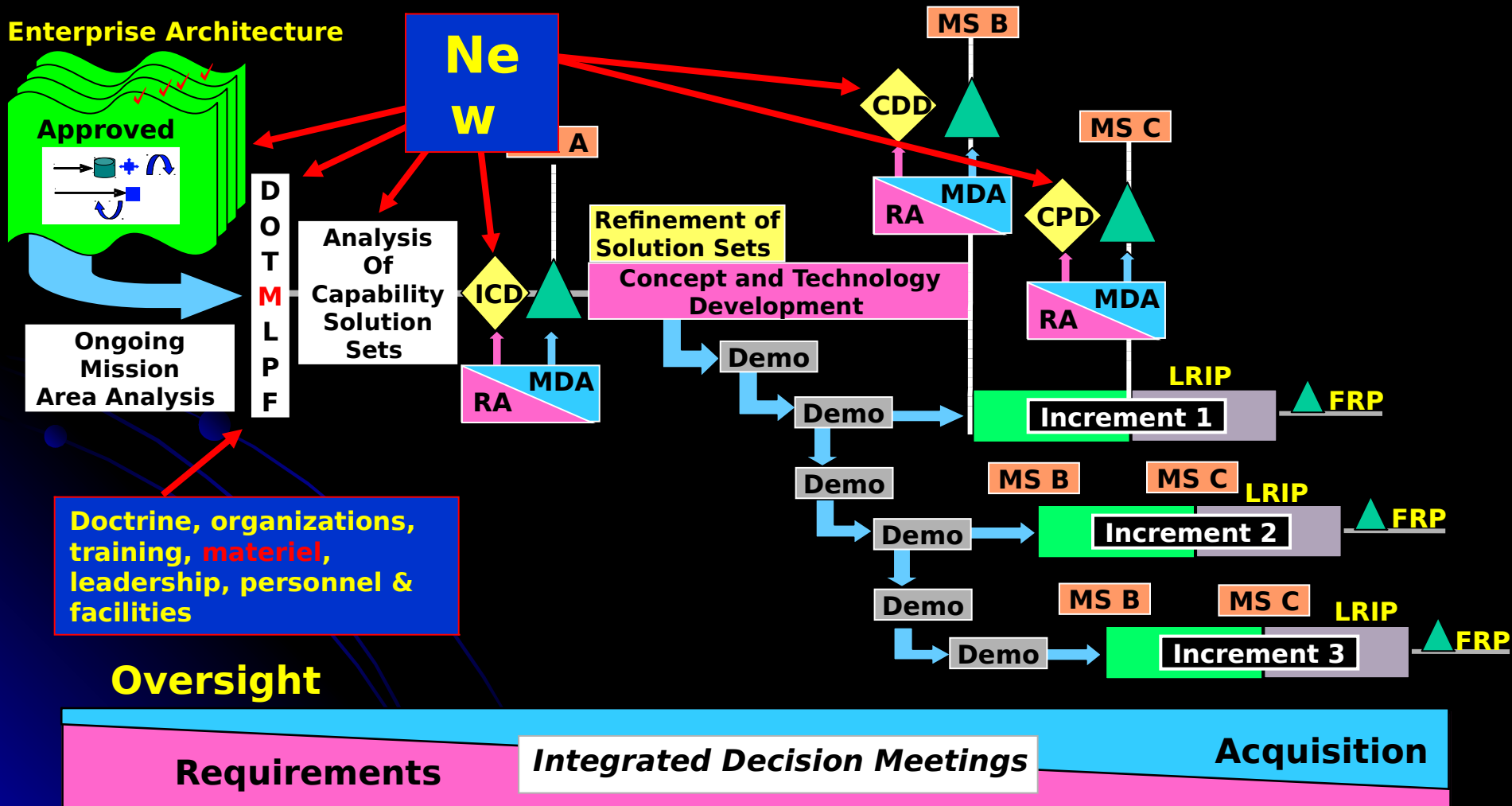


The 5000 Model

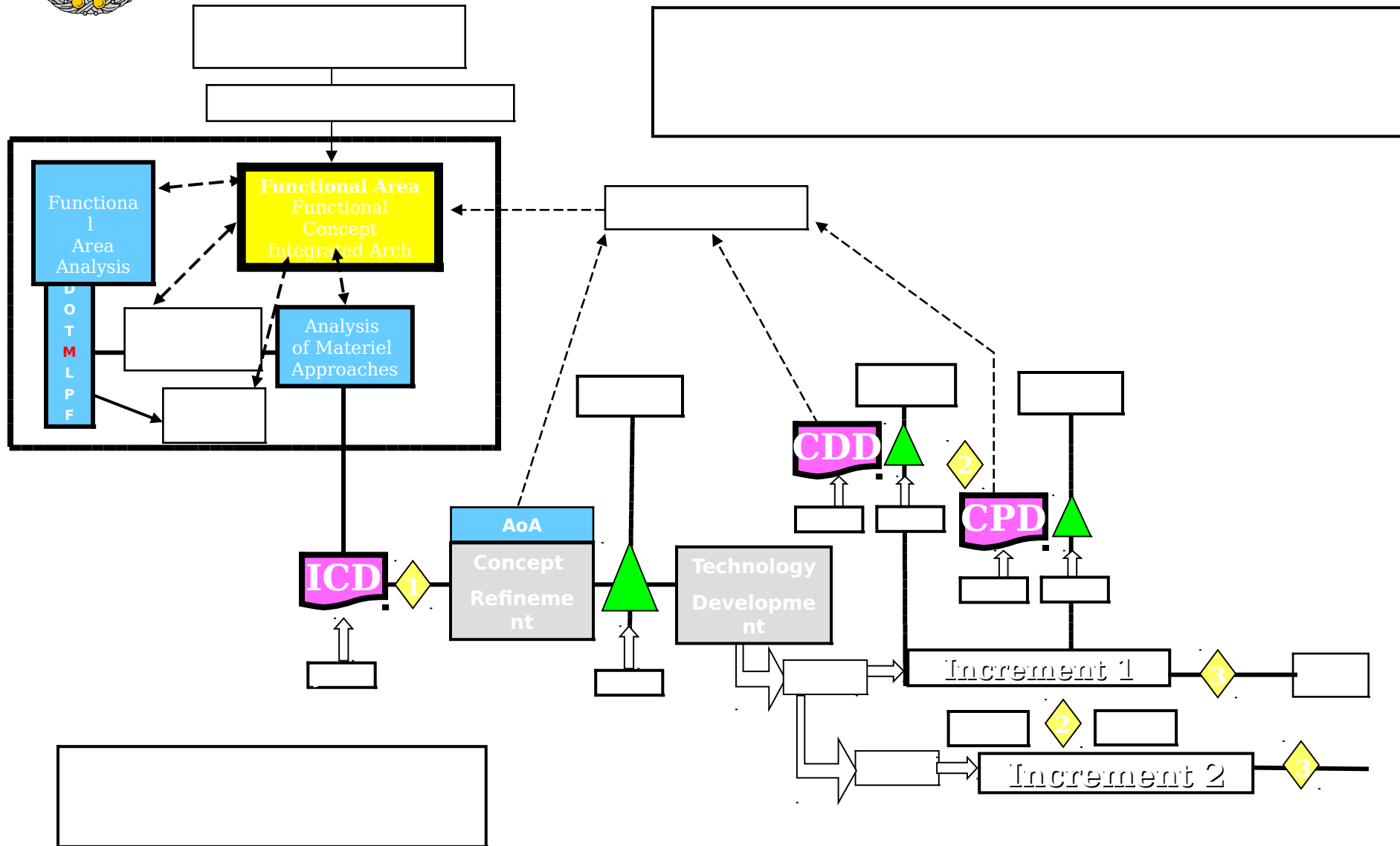


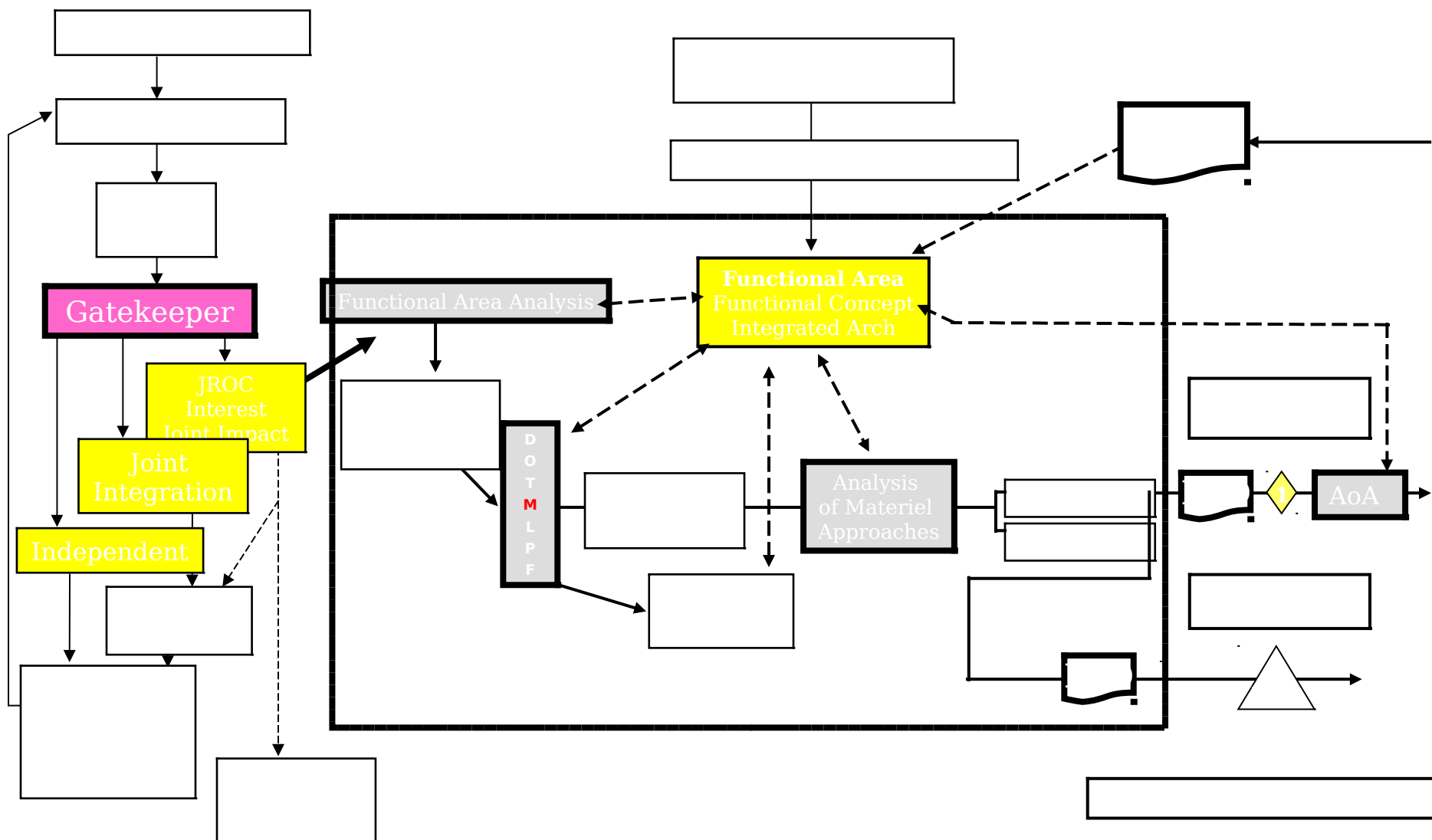
DEPSECDEF Memo, Defense Acquisition, 30 Oct 2002, attachment 2, Operation of the Defense Acquisition System

Requirements/Acquisition Process



Joint Capabilities Integration and Development System (JCIDS)





OUTLINE

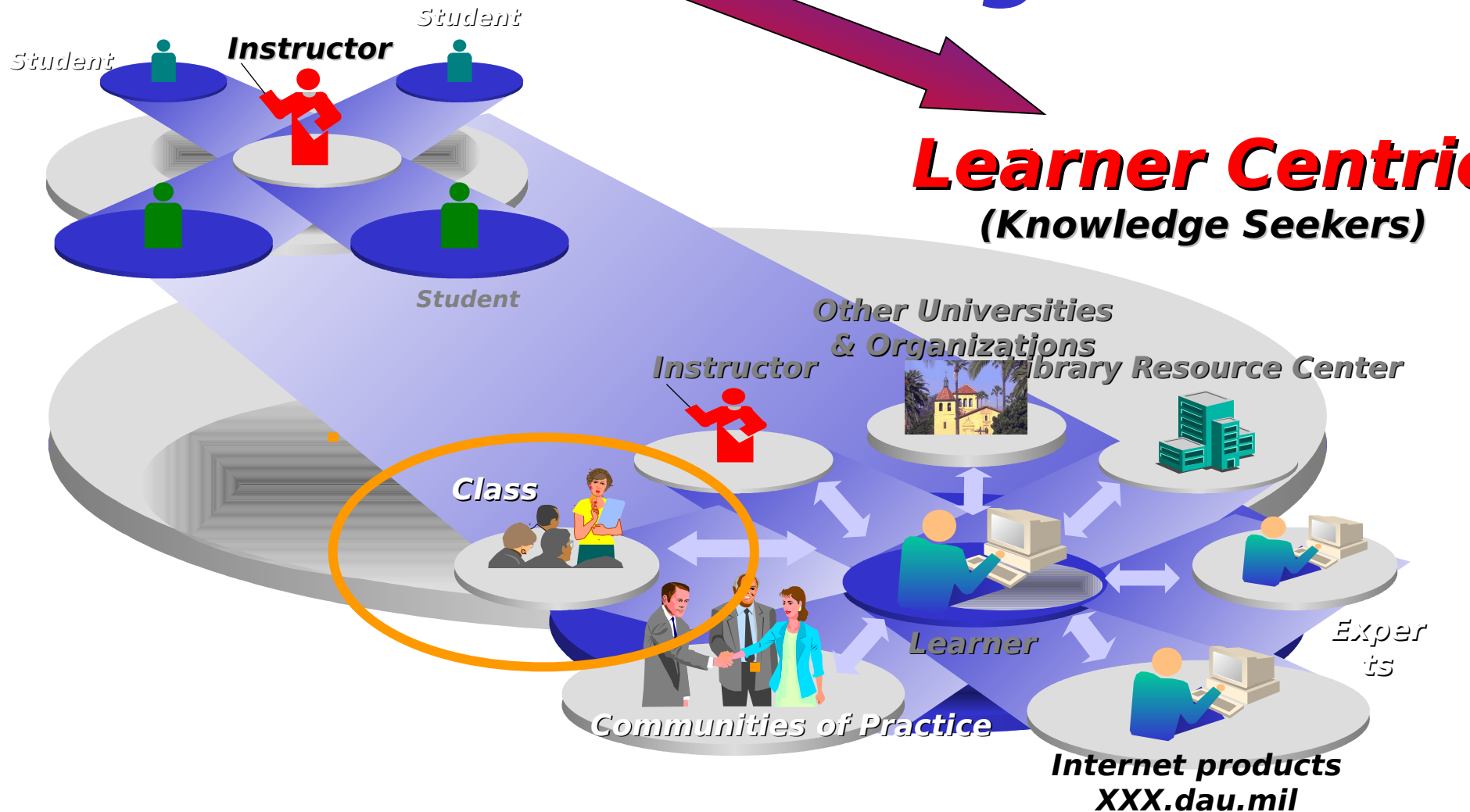
- The CHALLENGE
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A Structured Approach to **Organizing** AT&L Intellectual Capital

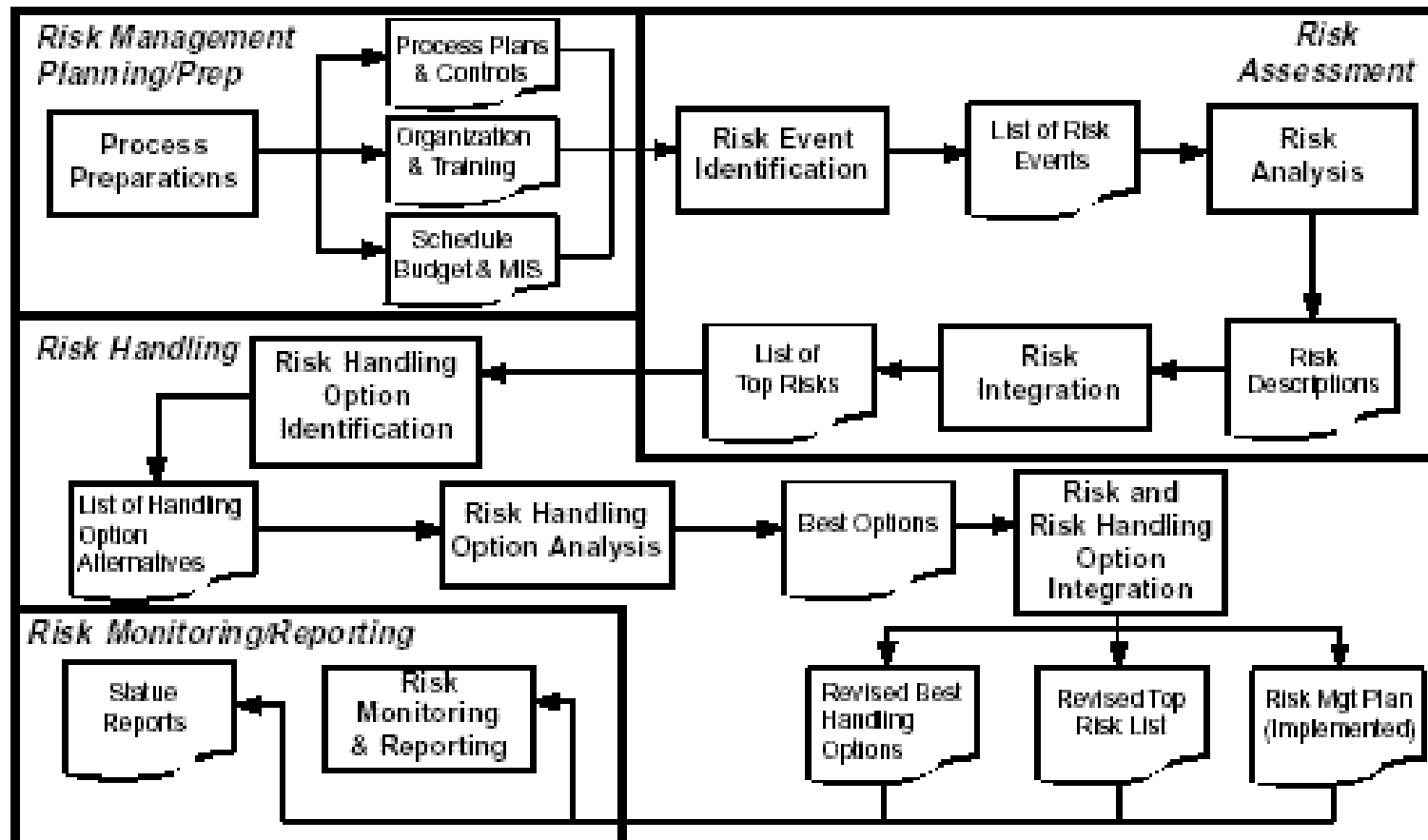


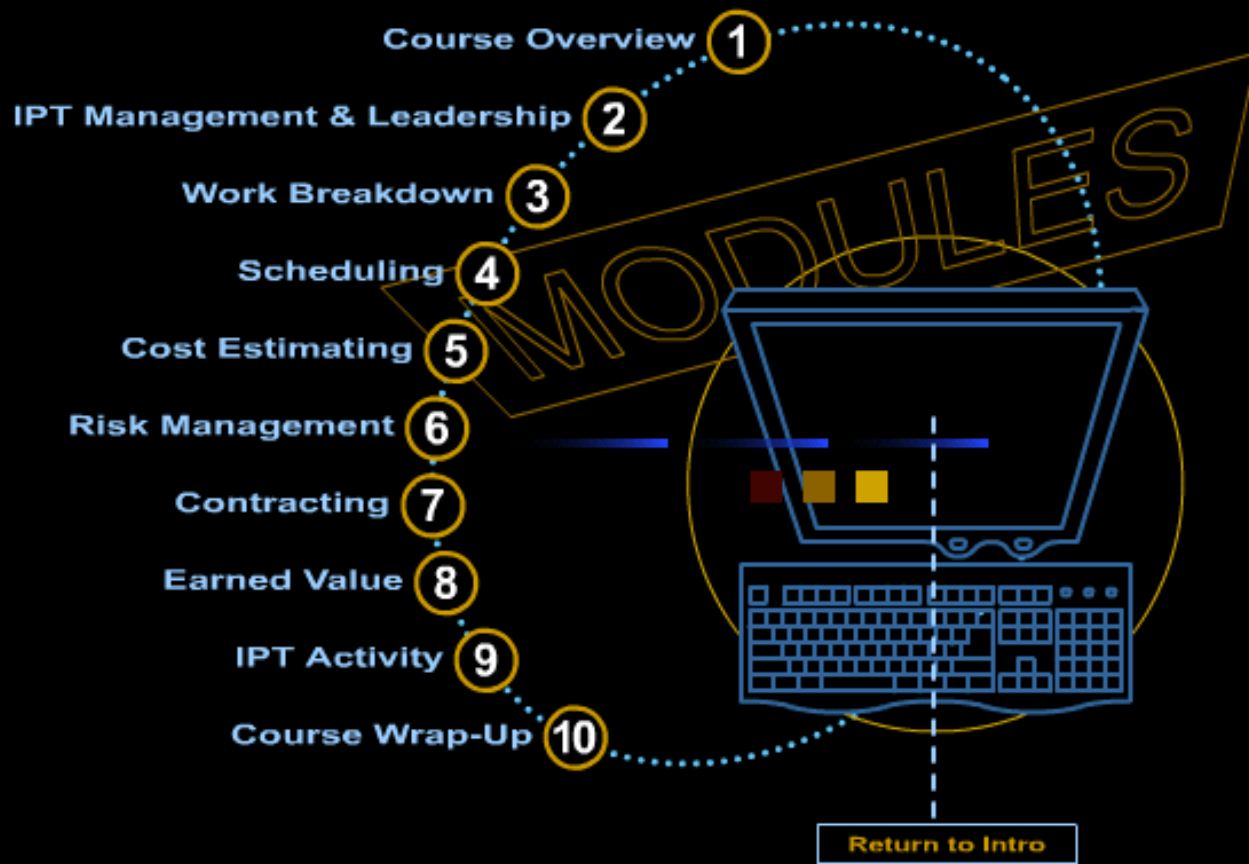
DAU Performance Learning Model

DAU's Learning Instructor Centric Paradigm Shift



RISK MANAGEMENT PROCESS MODEL







Module Contents

Introduction

Basic Training

[DoD Definition](#)

[Risk Management Process Flow](#)

[Risk Assessment Process](#)

[Risk Assessment Techniques](#)

[Typical DoD Risk Areas](#)

[Risk Handling Options](#)

[Government-Contractor Collaboration](#)

Tools

Tools Practice

Summary

Exam

MODULE 6



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Risk Management

DoD Definition

Risk is a measure of the inability to achieve overall program objectives within defined [cost](#), [schedule](#), and [performance](#) constraints.

Risk should be measured in terms of the **probability**, or likelihood, of failing to achieve a particular outcome and the **consequences**, or impact, of failing to achieve that outcome.

Risk Management is the act or practice of controlling the risk events (possible adverse outcomes) that affect the program. It is the process of "crystal-balling" possible future problems and taking actions to head off or mitigate those problems. It includes:

- Identifying, analyzing, and tracking risk events
- Evaluating the likelihood of the occurrence and consequences of risk events
- Defining risk-handling plans
- Performing continuous assessments and monitoring to determine how risks change during the life of the program

Risk Management is an integral part of program management responsibility. It requires all team members to use a disciplined approach so that risk is reduced to an acceptable level. This is done by assessing and handling the risks associated with the design, manufacturing, technology, test, and support functions that are part of systems acquisition. A good risk management program can enhance program management effectiveness and provide managers with an important tool for reducing a system's life cycle costs.

Five Steps for Using Risk+

I. Plan your project

In order to use Risk+ you must have a project plan prepared in MS Project '98. The plan should have a complete critical path network in to achieve meaningful risk analysis results.

II. Select tasks for detailed analysis

Risk+ will collect and generate detailed statistical information for tasks you identify in this step. Typically, only the key or high risk tasks are analyzed, rather than analyzing all the tasks in the project plan.

III. Enter risk parameters

You must enter minimum, most likely, and maximum duration and cost information for each program activity (low level task). Additionally, you must specify the relative likelihood of outcomes within each range.

IV. Run the risk analysis program

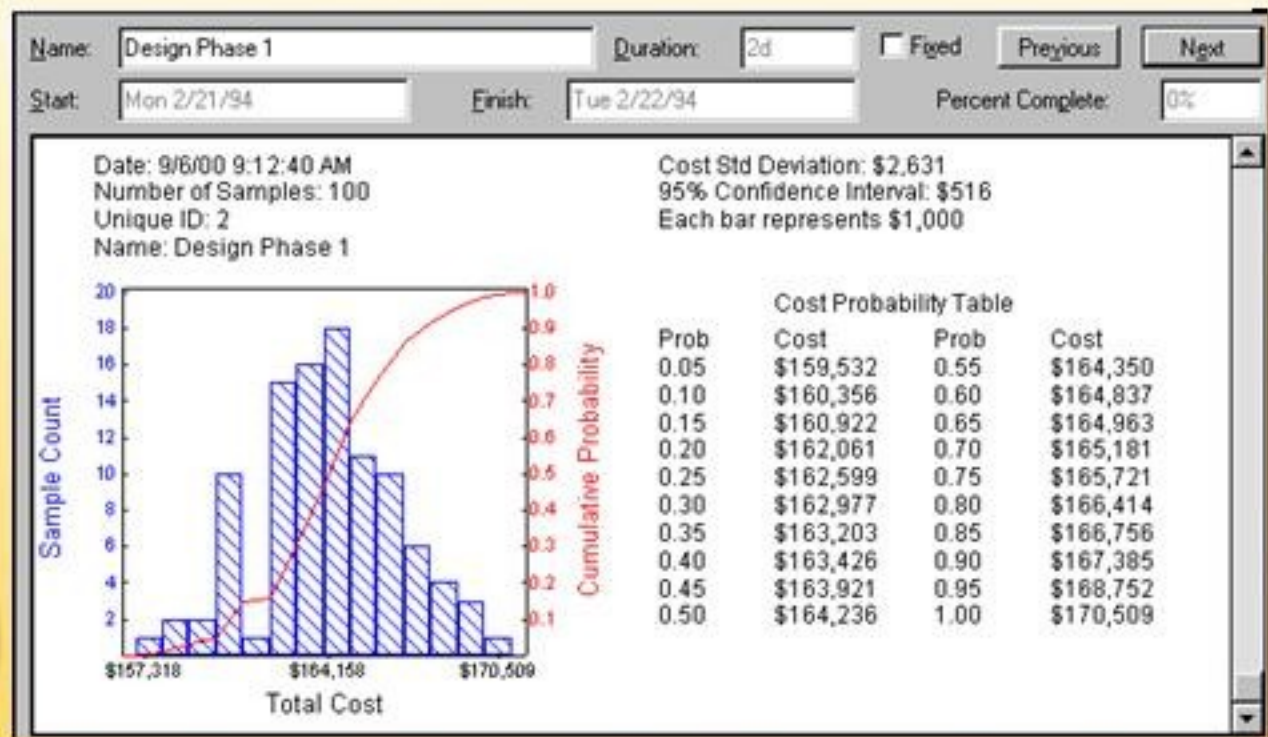
In this step, you tell Risk+ what analyses to perform, and how many possible outcomes to examine before generating its results.

V. Review risk analysis results

Risk+ generates a variety of graphical reports (histograms) which you can use to evaluate the effects of risk on your project.



Cost Histogram

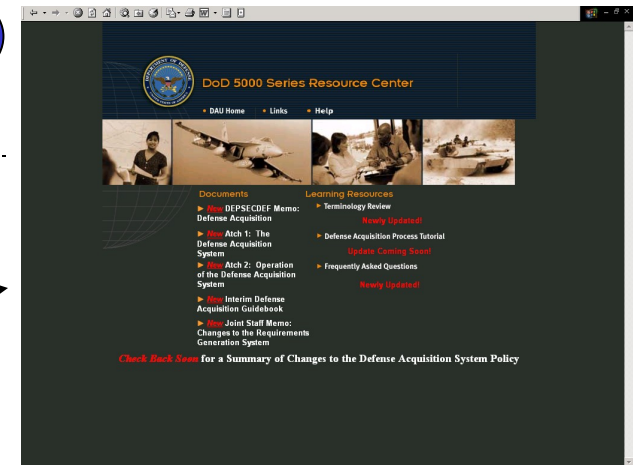
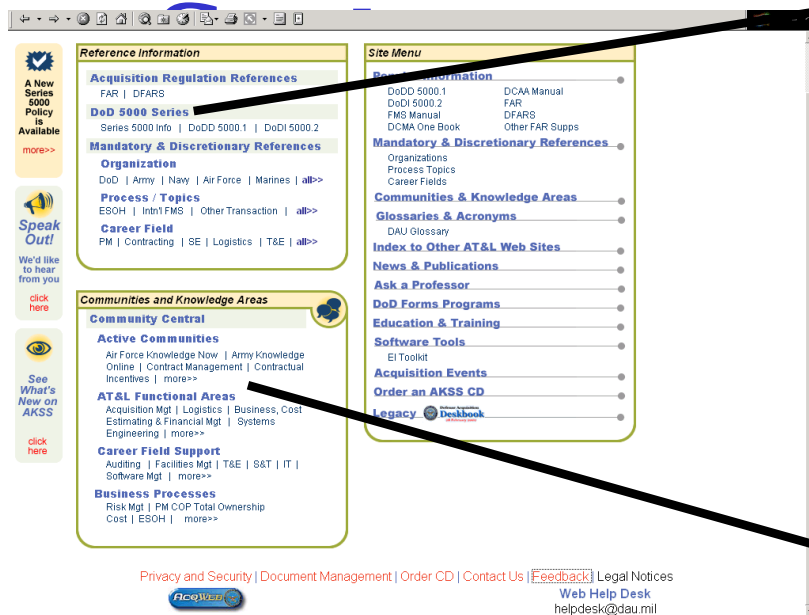


The **Cost Probability Table** shows the probability that the task will be completed for a certain cost.

DoD AT&L Knowledge Sharing

Expands upon and replaces DoD Desk Book

New Policy



DAU 5000 Resource Center Guidance and Contacts



New Gateway to Policy, Processes, Tools and Experts

Career Field and Business Process



A New Series 5000 Policy is Available
[more>>](#)



Speak Out!
We'd like to hear from you
[click here](#)



See What's New on AKSS
[click here](#)

Reference Information

Acquisition Regulation References

[FAR](#) | [DFARS](#)

DoD 5000 Series

[Series 5000 Info](#) | [DoDD 5000.1](#) | [DoDI 5000.2](#)

Mandatory & Discretionary References

Organization

[DoD](#) | [Army](#) | [Navy](#) | [Air Force](#) | [Marines](#) | [all>>](#)

Process / Topics

[ESOH](#) | [Intnl FMS](#) | [Other Transaction](#) | [all>>](#)

Career Field

[PM](#) | [Contracting](#) | [SE](#) | [Logistics](#) | [T&E](#) | [all>>](#)

Communities and Knowledge Areas

Community Central

Active Communities

[Air Force Knowledge Now](#) | [Army Knowledge Online](#) | [Contract Mgt](#) | [PM CoP](#) | [more>>](#)

AT&L Functional Areas

[Acquisition Mgt](#) | [Logistics](#) | [Business, Cost Estimating & Financial Mgt](#) | [Systems Engineering](#) | [more>>](#)

Career Field Support

[Auditing](#) | [Facilities Mgt](#) | [T&E](#) | [S&T](#) | [IT](#) | [Software Mgt](#) | [Program Mgt](#) | [more>>](#)

Business Processes

[Risk Mgt](#) | [Total Ownership Cost CoP](#) | [ESOH](#) | [more>>](#)

Site Menu

Popular Information

DoDD 5000.1	DCAA Manual
DoDI 5000.2	FAR
FMS Manual	DFARS
DCMA One Book	Other FAR Supps

Mandatory & Discretionary References

[Organizations](#)
[Process Topics](#)
[Career Fields](#)

Communities & Knowledge Areas

Glossaries & Acronyms

[DAU Glossary](#)

Index to Other AT&L Web Sites

News & Publications

Ask a Professor

Forms

Education & Training

Software Tools

[EI Toolkit](#)

Acquisition Events

Order an AKSS CD

Legacy Defense Acquisition
at February 2005

www.deskbook.dau.mil



Active Communities



Air Force Knowledge Now

Soup to nuts communities for the Air Force and its partners. This is a secure site and may not be accessible from outside a dot mil or dot gov address.

Army Knowledge Online

This portal site requires user account creation, log-in and may not be accessible from outside a dot.mil or dot gov address.

Contract Management

The Contract Management Community is structured around supporting practitioners with the contracting processes, keeping them informed of changes within the contracting field, and offering a forum for communication and collaboration.

Contractual Incentives

The Contractual Incentives Knowledge Asset is an evolving resource for acquisition professionals faced with the diverse challenges of developing and implementing effective incentive strategies that lead to successful business relationships.

Facilities Engineering Career Field Community

The Facilities Engineering Career Field encompasses a variety of professional individuals with diverse skills focused on the design, construction, and life-cycle maintenance of military installations, facilities, civil works projects, airfields, roadways, and ocean facilities.

Navy Knowledge Online

This portal site requires user account creation, log-in and may not be accessible from outside a dot.mil or dot gov address.

DoD Program Management

The DoD Program Management Community is a publicly accessible umbrella gateway to DoD sponsored and formally established cross service/agency/industry Communities of Practice and Special Interest Areas. Major Communities of Practice include Systems Engineering, Risk Management, Contract Management and Total Ownership Cost.

Risk Management

The Risk Management Community provides a resource for job performance support structured around the Risk Management Process and offers continued collaboration and information sharing among community members.

Systems Engineering

The Systems Engineering Community provides guidance in requirements analysis and standardization, presents a variety of Systems Engineering specific tools, and encourages communication and collaboration among community members.

Total Ownership Cost

The Total Ownership Cost Community is focused on bringing community members together by offering collaborative areas for TOC disciplines, content centered around R-TOC, and communication and interaction across all areas of TOC.



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PM Community of Practice

Why

- OSD-championed, DAU partnership
- Business process oriented, PM-selected communities
- Concentrated on ACAT program team performance



<http://www.pmcop.dau.mil>

Who

- Total acquisition workforce, Open to industry
- Leadership, experts, practitioners, peers

Risk
Management

Systems
Engineering
Management

What

- Collaboration forums
- Information, knowledge, expert, and peer search
- Performance centered learning
- FAQs, tools, templates, resources, references

Contract
Management

TOC
Total Ownership Cost

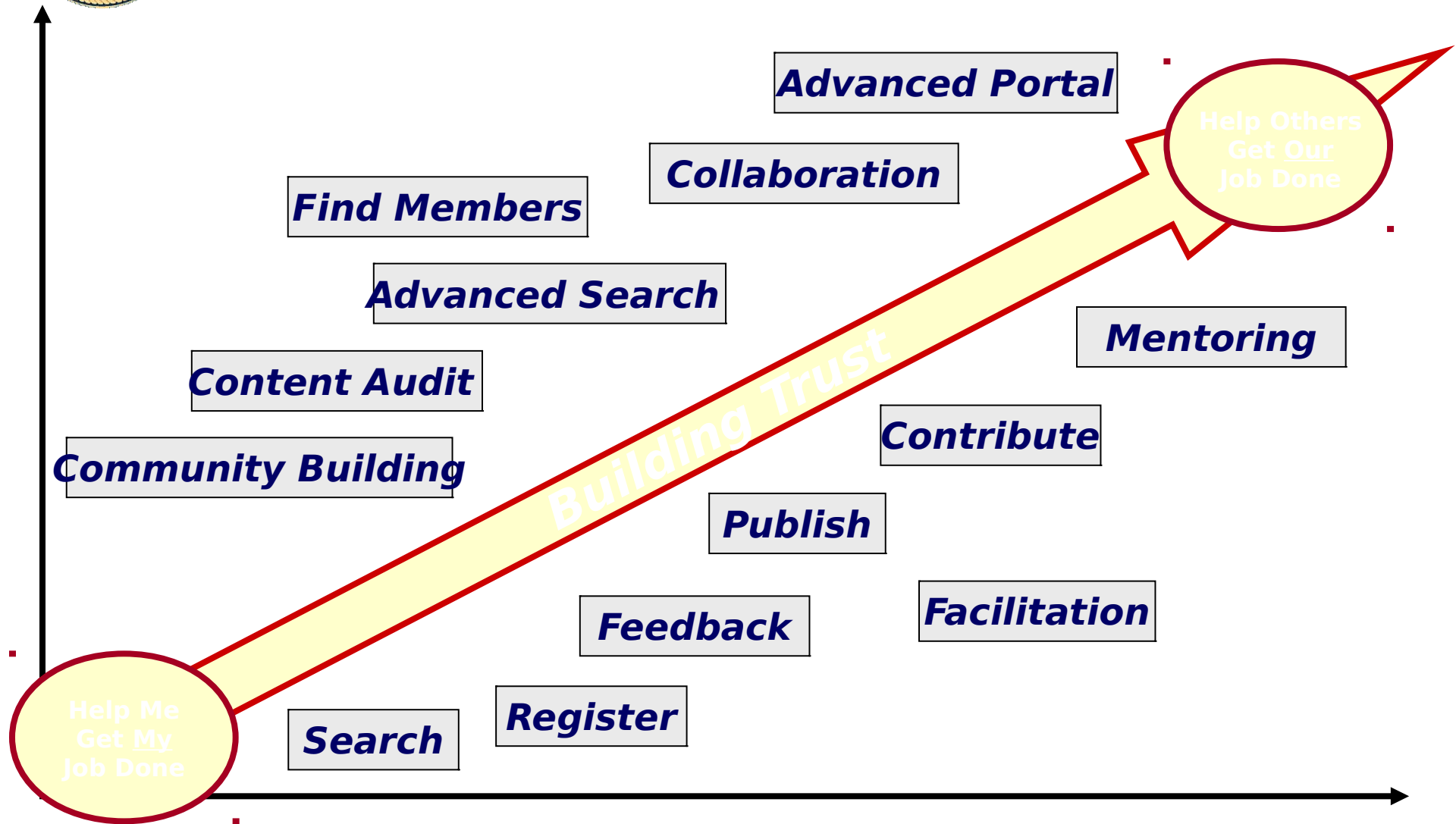
How

- Practitioner driven
- Evolutionary development
- Desktop compatible, web-based, server based
- Maximize leverage of other efforts & investments
- Measure progress towards organizational & cultural change





Community Build Maturity Model





KM Lessons Learned

LEADERS MUST USE IT/PARTICIPATE
PEOPLE

MUST SHOW VALUE

HIGH PAYOFF TARGET

MUST HAVE BELIEVERS

LEVERAGE EXISTING SOURCES

EVOLVE

➤ **BUILDING A KM PROGRAM IS NOT EASY OR CHEAP!**

Risk Management Community Objectives

- Build a robust online community of risk management professionals
- Leverage community expertise to improve the performance of RM tasks, questions and problems
- Integrate fundamental learning content with practitioner developed knowledge assets to improve performance

Risk Management Community

“Entice, Excite & Engage”

- The essence of this community is its members
- Develop and Evolve RM Community direction based on community needs and concerns
- Expand Risk Management community by reaching out and interacting with potential members
 - Conferences, presentations, brochures, website, phone calls, emails, interviews, assistance to community members, trinkets, word of mouth
- Cultivate community interaction through PMCoP Site, Contributions, Discussions, Community Meetings

Risk Management Community Identified Tasks

Planning Tasks

- Develop and document a well organized risk strategy
- Determine Methods to implement the risk management strategy
- Create a Risk Management Plan

Assessment Tasks

- Identify Risk Events
- Conduct Risk Analysis
- Perform a Performance/Technical Assessment

Lessons Learned Cultivating a Cop

- Hard to track in database driven web sites
- CRM Systems critical for effective metrics of KM Community based sites
- 65% of overall effort spent community building
- Real relationships are the key
- Objective is more important than the plan

Transition from Pilot to DoD AKSS

- Transition in progress...next 6 months
 - Use www.DESKBOOK.DAU (AKSS)
 - www.PMCOP.DAU (PM COP)
- Continue integration into Learning Model
- Come join and use and/or contribute
- My vision...
 - Functional + Process + Program COPs
 - Expanded Industry/DoD/other partnerships



PM CoP

Program Management Community of Practice

Where the Acquisition Community Meets to Share Knowledge

Search:



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Browse Topics

PM CoP

- Program Management(88)
 - Contract Management(49)
 - Risk Management(45)
 - Policies and Guidelines(7)
 - Resources and References(53)
 - Risk Planning(3)
 - Risk Assessment(18)
 - Risk Handling(23)
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 - Risk Documentation(4)
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- Workspaces(3)
- Job Announcements(12)

[sitemap](#)

Participate

[Add your knowledge](#)

PM CoP > Risk Management

Risk Management

Risk Management Community



★★★★★
open topic

[driessnack](#) (Editor) | [Logout](#)

Features

- **Risk Assessment for the Tiles of the Space Shuttle - 1994**

ESOH Risk MGT

Risk

Management under Evolutionary Acquisition (4) -

There have been a number of ...

Mr. Noel Dickover 2002-10-15

What's New

RM Community Meeting 02-19-03

RM Community Meeting 12-06-02

RE: Requirements to Risk - Interesting brief...thanks for ...

Professor John Driessnack 2003-02-21

RE: EVM and